



STATE OF RHODE ISLAND
**ENERGY EFFICIENCY &
RESOURCE MANAGEMENT COUNCIL**

EERMC FULL COUNCIL MEETING MINUTES

Thursday, August 19, 2021 | 3:00 - 5:00 PM

This meeting will be held in-person in:
Conference Room A, 2nd Floor
Department of Administration
One Capitol Hill Providence, RI 02908

Members in attendance: Anthony Hubbard, Karen Verrengia, Nick Ucci, Peter Gill Case, Joe Garlick, Kurt Teichert, Tim Roughan, Sue AnderBois

Others Present: Nathan Cleveland, Dr. Becca Trietch, Craig Johnson, Adrian Caesar, Rachel Sholly, Joel Munoz, Hank Webster, Josh Kessler, Mark Kravatz

All meeting materials can be accessed here: <https://rieermc.ri.gov/meeting/eermc-meeting-august-2021/>

1. Call to Order

Acting Chair Hubbard called the meeting to order at 3:12pm.

2. Approval of Council Meeting Minutes

Acting Chair Hubbard asked for a motion to approve the June Meeting minutes. Mr. Garlick made a motion to approve the minutes from the June meeting. Mr. Teichert seconded and all approved, with Ms. AnderBois abstaining.

Acting Chair Hubbard asked for a motion to approve the July Meeting minutes. Mr. Garlick made a motion to approve the minutes from the June meeting. Mr. Teichert seconded and all approved.

3. Executive Director Report

Commissioner Ucci notified everyone that the Governor has recently implemented a mask mandate for all State buildings, for all persons entering those facilities regardless of vaccination status. He highlighted a contract position that the Office of Energy Resources (OER) is hiring for to support its Lead by Example work with data analysis and program management. He asked that Council members circulate that posting to their networks as appropriate and indicated that Mr. Cleveland would circulate the posting information following the meeting to the Council.

4. Acting Chairperson Report

Acting Chair Hubbard reviewed the agenda for today's meeting, including highlighting the votes taking place at today's meeting, and noted the materials that will not be discussed during the course of today's meeting but were made available for Council review.

He also informed the Council that a calendar invitation from Mr. Cleveland will be forthcoming for a workshop with the Public Utilities Commission on the afternoon of 9/13. Acting Chair Hubbard indicated that all Council members will have the opportunity for a one on one conversation with the Consultant team in advance of that workshop and encouraged everyone to contact Mike Guerard to schedule those.

5. Council Business

a) Review & Vote on Updated K-12 Energy Curriculum Training Proposal

Please refer to the [updated K-12 Technical Proposal from GBRI](#)

Dr. Trietch provided a summary of the RFP submission and review process, the subsequent request for negotiation with the vendor on budgetary and scope reasons, and represented that the updated proposal submitted meets all core needs and the education subgroup is supportive of this updated proposal. She noted that if approved, the Office of Energy Resources (OER) will begin contract negotiations with selected vendor.

Mr. Garlick made a motion to direct OER to work with the Council's attorney to establish a contract between the EERMC and GBRI with a scope of work based on the updated GBRI proposal and a budget limit not to exceed \$45,000.00. Mr. Gill Case seconded the motion and all approved.

6. Program Oversight

a) National Grid & Council Consultant Team Presentation on Request for Support of 2021 Overspend in Energy Efficiency & Consultant Team Response

Please refer to the [National Grid Presentation on the 2021 Overspend Request](#)

Ms. Li reviewed the reasons leading to National Grid asking for overspend support, indicating that they are projecting 110% spend in 2021 for the portfolio based on the expected weatherization work in the pipeline. Because of the 10% expected overspend, there is a requirement to seek support from the Division of Public Utilities and Carriers (DPUC) and the EERMC. Ms. Li noted that the program was at 96% of budget spend through June with a robust pipeline still in place and that incentives have been reduced from 75% to 50% for now to try and curb spending/demand in 2021.

Mr. Gill Case asked what pipeline of work is triggering the overspending?

Ms. Li indicated that the Company was experiencing significant volume of weatherization work (inclusive of insulation, air sealing, and duct sealing) in the gas portfolio, in addition to increased adoption of and thermostats and water savings measures. Because the gas budget is smaller than the electric budget, that's why the overspend is here and not in electric, even though similar work taking place in those programs as well.

Ms. Li also informed the Council that the Company will be notifying the Public Utilities Commission (PUC) of this potential overspend, even though they are not projecting their expenditures will reach that higher notification threshold.

b) Council Discussion & Vote on National Grid's Requested Support for 2021 Overspend in Energy Efficiency

Mr. Johnson indicated that the consultant team recommends support of overspend request with a couple of conditions, those being immediate PUC notification and updates at future Council meetings this year on this program's progress and spending.

Mr. Gill Case made a motion to support National Grid's requested overspend at an amount of up to 15 % above the PUC-approved gas portfolio budget to support weatherization measure installation and delivery through the EnergyWise Single Family gas program, contingent on the following: 1. The Company provides ongoing updates on their gas portfolio spend, participant, and savings forecasts at all future 2021 EERMC council meetings; 2. The Company provides the PUC with a courtesy notice of the overspend within 30 days of this vote. Mr. Garlick seconded the motion and all approved, with Ms. Verrengia abstaining.

c) National Grid & Council Consultant Team Presentation on 2021 Energy Efficiency Quarter 2 Results

Please refer to the [presentation on the Quarter 2 Results](#)

Mr. Johnson reviewed the performance of electric and gas portfolios at a high level. For the electric portfolio, the market rate and commercial & industrial (C&I) sectors are doing alright, but the income eligible sector is still lagging behind other programs despite improving on 2020 performance to date. All together the electrics programs are on par with the most recent two years and projected to come in at goal. For the gas portfolio, the commercial & industrial and residential sectors are doing very well, whereas the income eligible sector is behind the past few years. The portfolio as a whole is ahead of pace based on that strong residential and C&I performance.

Mr. Johnson also highlighted a few areas of significant concern, including that the income eligible multi-family gas sector has achieved almost zero savings through mid-year. The Company is projecting 75% achievement by year end, but the pipeline and achievement rate will need to be much stronger to reach even that level, which is still below goal.

Mr. Johnson also noted that while the small business sector is performing well overall 94% of savings coming from lighting still, which will make continued success in coming years more difficult if the Company cannot begin achieving more non-lighting savings.

Lastly, he noted that the Large C&I retrofit program is lagging in savings achievement compared to prior years, which given its size relative to the rest of the portfolio is contributing to the entire sector projecting to be below goal for the year.

Ms. Li and Mr. Kessler presented some quarter two highlights from the residential and commercial and industrial sectors, respectively.

Mr. Johnson then review the commitment tracker covering all of the Company's commitments as part of the 2021 energy efficiency plan. He noted that to date, 8 are done, 54 are in progress and on track, and that 26 are not started and/or not on track, though he felt many are in progress but need to be updated in the tracker and requested the Company make these updates.

Mr. Teichert asked about the projects that are "not started", does that mean they are not on track at all or were they expected to start later in the year and thus could be considered on track?

Mr. Kessler indicated that of those currently listed as not started, most are scheduled to begin in quarter three and that a few need to be updated so that they are being reported appropriately.

Mr. Gill Case commented that this was an interesting way to approach a report card for tracking commitments and would be interested in seeing more like this in the future. He also noted that seeing a big black "X" to indicate not started is a little scary given the reality that most are in fact on track.

Mr. Roughan asked if this data could break out not on track and not started into two categories to make clear things that shouldn't have started yet versus things that are really not in good shape.

Ms. AnderBois asked if the Company was working with associations and other trade groups, or are these initiatives more one-of, single contact efforts? She indicated that she has relationships with some of these trade groups and would be happy to do deep dive and plug those groups in to this work.

Mr. Kessler indicated the Company was interested in working to build relationships in the space, leveraging vendors and trying to build up their capacity in any way possible.

d) *National Grid & Council Consultant Team Presentation on the Updates to the 2022 Benefit-Cost Model*

Please refer to [presentation on Benefit-Cost Model Updates](#)

Mr. Johnson provided an overview of the evaluation, measurement and verification (EM&V) process and the parties involved providing the oversight and analysis that leads to the evaluation results that impact savings, measure lives, and other program elements. He noted that these studies also influence the values that go into the Technical Reference Manual (TRM) and then the Benefit-Cost Model, ultimately leading to what shows up in the plan that the Council votes on.

Mr. Kessler highlighted the largest impacts of these studies, particularly affecting lighting measures, which included in service rates and measure life reductions (e.g. how long the Company can claim savings for a measure). This is a result of the long anticipated market transformation of the lighting market.

Mr. Teichert asked for clarification on if measure life is for how long the company can claim savings and not how long the light bulb will work for. Mr Johnson confirmed that this was accurate.

Ms. AnderBois asked why did screw-in measures decreased? Are people unscrewing them? Ms. Li indicated that this could mean that they weren't installed, that people were buying in bulk but not installing all the purchased bulbs, or other factord that can impact this number.

Ms. Li than highlighted some notable adjustments in the BC Model for the 2022 plan, which included: removing less efficient gas boilers from all programs; savings reductions for storage water heaters, indirect water heaters, and lifetime savings from gas furnaces; showerheads and thermostatic shut off valves had measure lives double.

Also important to note is that for the residential program in 2022 the retail (upstream) lighting program is over, and direct install LEDs now have measure life of 1 year (e.g. 2022 will be the final year).

Ms. Li concluded by discussing the changes in the plan as a result of the 2021 Avoided Energy Supply Cost (AESC) study, which will replace the 2018 version that has been used in the most recent few plans. The updated values from the 2021 AESC study data leads to a net result of overall reduction in savings from energy efficiency. She also noted that in the 2022 plan the Company, due to feedback from the DPUC and out of an abundance of caution, removed the macroeconomic benefits from the core BC Model. Instead they will be presenting one calculation without these benefits included and one with them included for comparisons sake, and that this was done to avoid potential double counting of benefits.

e) *National Grid Update on the 2022 Energy Efficiency Program Plan*

Please refer to the [National Grid Update Presentation on the 2022 Energy Efficiency Plan](#)

Ms. Li reviewed the 2022 Energy Efficiency plan development process. She noted that the Company heard consensus from stakeholders on the importance of an equity focus and workforce development. Ms. Li also noted that the Equity Working Group (EWG) finishes next week and those recommendations will be presented in final draft and National Grid will address how or how not those recommendations will be implemented

Ms. Li than provided an interim update on the energy efficiency plan between the first and final drafts, noting that the Company received lots of comments and that a more detailed response on

how those will be provided at next week's technical working group meeting. She also reiterated the importance of equity and the forthcoming recommendations for the EWG.

Ms. Li reviewed the savings and budget numbers for the 2022 plan, justify the proposed savings on the contention that the Company used the illustrative budgets from the Three Year Plan compliance filing as a starting point and didn't propose anything beyond that as they weren't seeing savings available at a low cost. She then reviewed a small sampling of comments received on the plan and the Company's response to those comments.

Ms. Li then reviewed some overall budget trends, which show steady growth of budgets (COVID excepted) over the last few years and the respective impact that has on the System Benefit Charge (SBC). For example, she noted that the electric SBC has 15% compound growth rate from 2007-2020, but a 45% increase from 2021 to 2022. She commented that with lighting savings going away and claimable savings from C&I lighting decreasing through evaluation results, this has lead to budget increases and increased costs to achieve savings. Comparatively, she indicated that the Gas SBC had a compound growth rate of 18% from 2007-2020 but growth is 50% from 2021 to 2022.

Ms. Li closed by reviewing the bill impact models, with the high level takeaway being that customers who participate see a bill decrease but that average customers see a slight bill increase as a result of energy efficiency, most of that increase is simply the impact of the SBC in year one.

Mr. Teichert noted the importance in participating in programs seems evident and asked if the Company's proposed savings goals based off the high or the low scenario?

Ms. Li responded that their numbers are from the compliance filing on the three year plan with the PUC, which equates to the the base scenario.

Mr. Teichert indicated the logical disconnect between not enough participants, leading to not enough savings, leading to costs for all of them going up – and asked why? He recognized there are some budgetary and other concerns but would be helpful to have a better sense of the numbers in the high scenario to see what we are leaving on the table.

Mr. Gill Case referenced the income eligible graph from page 4 of the consultant team's memo, which breaks down gap between targets and 2022 planned savings numbers based on end use. He noted that we don't know what we are leaving on the table, and the most disappointing thing is that the savings targets are low and most stakeholders had the same concern about savings achievement levels. His concern is that this isn't going to get us where we want to be with just a few more weeks of work and commented that the SBC is a fraction of the rate paid by ratepayers and it needs to be viewed holistically, particularly given the downward pressure that energy efficiency can put on bills. He doesn't feel its appropriate to focus so much on just SBC impacts given the need to get more savings and the importance of achieving those in the broader context.

Acting Chair Hubbard asked if the PUC budget cap influenced any of this planning on budget?

Mr. Johnson indicated that the Company said specifically, multiple times, that they used the PUC recommendation of 5% budget growth for 2022 and 2023 in the Three Year Plan compliance filing as a budget limit and a starting point for the development of the 2022 annual plan. Conversely, the consultant team doesn't view those illustrative budgets as a cap but rather guidance given during challenging economic times that have improved. He noted that it would be useful to all stakeholders to have a sense of what the plan would be absent the budget growth guidance given by the PUC and that everyone had expected to see what that would look like and engage with the Company on that analysis.

Mr. Roughan asked if the position was that there should be more savings from the plan with only 5% growth?

Mr. Teichert responded that the challenge is that budget limitation gets reflected back as a savings limitation, and stakeholders don't have enough information on the efficiency of savings delivery to know what the delta should be given the 5% cap. Is this forcing more efficient delivery or saying "we just can't save as much" from the Company? He is hoping to probe this using the base scenario and the high scenario in the Three Year Plan as a way to understand how we push savings achievement forward and send a signal that this is a place for growth, hiring, business building and savings achievement and doesn't feel we are sending that signal with this plan as proposed.

Mr. Johnson added that absent that bottom up analysis to determine all cost-effective savings it is hard to see where we could be improving.

Mr. Roughan asked how do we get to that analysis and Ms. Li commented that marginal savings achievement over the proposed plan would come at a higher cost.

Commissioner Ucci responded that is the Company's interpretation, and one that not necessarily everyone else shares, and absent additional information we are left taking what you've presented as optimal and that makes it very hard to determine becoming a signatory. He further noted that the PUC approved the Three Year Plan, which is non-binding, and so we can always go above that with a proper justification, which is what we are trying to get.

Mr. Kessler noted the uncertainty in the high scenario, around adoption rates, incentive levels, and other barriers like internal capacity, workforce constraints etc.

Commissioner Ucci responded that those constraints are real and we grapple with them every year, but what Mr. Johnson pointed out is the right way to frame this - go bottom up and what would the plan look like absent any comments on budgets from PUC?

Ms. AnderBois commented that the Act on Climate bill signed into law commits us to this aggressive carbon reduction goal, which is based on a deep reliance on energy efficiency and so if we limit to 5% are we shooting ourselves in the foot by not bundling this together and going deeper?

Mr. Gill Case stated that as things stand now he wouldn't support this, and he felt that in the Three Year Planning process, year 1 was a hit relative to the Targets but that years 2 and 3 would

see growth and development for more aggressive achievement, concluding that this isn't good enough for him to support at this time, and don't feel our constituents would be happy either.

7. Public Comment

Mark Kravatz, Habitat for Humanity, Providence:

Mr. Kravatz wanted to publicly recognize and celebrate Dr. Trietch for her years of dedicated public service and wish her well in her future career pursuits. He also mentioned that Habitat Providence has created a home performance training institute in Rhode Island for energy efficiency, hazard mitigation, and other similar work that is now open.

Hank Webster, Acadia Center:

Mr. Webster also publicly thanked Dr. Trietch and praise her for her tireless public service and commitment to Rhode Island's efficiency and energy programs.

8. Adjournment

Acting Chair Hubbard called for a motion to adjourn the meeting. Mr. Garlick moved to adjourn the meeting. Mr. Gill Case seconded the motion and all approved. Meeting adjourned at 4:48pm.

Outstanding Council Member Questions Requiring a Written Response:

None